

UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

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|--------|----------------|---|--------------------|
| IN RE: | Kenneth DeRosa | : | Case No.: 17-16193 |
|        | Paula De Rosa  | : |                    |
|        |                | : |                    |
|        | Debtors        | : | Chapter 13         |
|        |                | : |                    |

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RESPONSE TO THE REPORT OF DEBTOR AUDIT

1. In response to the Report of the Debtor Audit, please review the following averments.
2. The subject sale of stock proceeds was addressed by the Chapter 13 Trustee on November 1, 2017 at the Debtor's 341 Meeting which lasted approximately 21 minutes.
3. I have received and listened to a copy of a recording of the Chapter 13, 341 Meeting and at approximately 3:00 minutes into the November 1, 2017 341 Meeting, the Debtors stated that they sold said stock and took a loss of \$3,000.00 as reported on the 2016 tax return.
4. An amendment to the Statement of Financial Affairs was not orally requested or made required on the 341 Minutes Sheet in accordance with F.R.B.P Section 1009(a).
5. Since tax returns are a matter of record and both gains and losses are imputed in income supplied in accordance with Statement of Financial Affairs number 4, said information was disclosed into the complete bankruptcy record.
6. The 2016 tax returns were provided to the Chapter 13 Trustee on October 12, 2017.
7. Based on the Debtors' disposable income and non-exempt equity in real estate, this case will likely necessitate a 100% distribution Plan or close to a 100% Plan to the unsecured creditors. Accordingly, the subject alleged misstatement does not prejudice creditors or benefit the Debtors in any way.
8. There was no intent by way of the Debtor or the Debtor's counsel to fail to disclose or impede a determination of estate assets.
9. Based on the above, the stated omission does not compromise the integrity and reliability of the Bankruptcy documents filed.

Dated: December 26, 2017

/s/Brad J. Sadek, Esquire

Brad J. Sadek, Esquire

Sadek and Cooper

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